



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277
Fax: (313) 226-3561*

For Immediate Release:

Contact: Susan Plochinski (313) 226-9193
Greg Palmore - ICE - (313) 446-3745

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EVENT: Guilty Plea

Defendant: Maksimenko

**Livonia Man Pleads Guilty to Crimes Relating to Involuntary Servitude
of Eastern European Women at Detroit Area Strip Clubs**

A Livonia man pleaded guilty today to multiple unlawful conspiracies, including deprivation of civil rights by involuntary servitude, illegal transportation and harboring of aliens, and money laundering, in connection with a scheme to coerce Eastern European women to work as strippers in various Metro-Detroit area clubs, United States Attorney, Stephen J. Murphy announced today.

Aleksandr Maksimenko, 26, pleaded guilty before United States District Judge Victoria A. Roberts.

Murphy was joined in the announcement by Wan J. Kim, Assistant Attorney General, Civil Rights Division, Brian M. Moskowitz, Special Agent in Charge, U.S. Immigration and Customs Enforcement, and Daniel D. Roberts, Special Agent In Charge of the Detroit Field Office of the Federal Bureau of Investigation.

Maksimenko is a naturalized U.S. citizen, born in Ukraine, who resided in Livonia,

Michigan at the time of his arrest in mid-February 2005. Maksimenko is one of the ring-leaders in a conspiracy to force Eastern European women to work as exotic dancers in Detroit area strip clubs. One of the other ring-leaders of the trafficking scheme, Michail Aronov, a Lithuanian citizen from the Chicago area, pled guilty to similar charges on September 8, 2005.

"The defendants in this case took advantage of several Eastern European women by enticing them to come the United States and then holding them in bondage for commercial and sexual exploitation," said U.S. Attorney Stephen J. Murphy. "The courage shown by two of these women in escaping and bringing their condition to the attention of law enforcement brought an end to their involuntary servitude and to the violence and intimidation perpetrated by the defendants. Criminal operations involving human trafficking, such as this one, will be pursued with the greatest vigor by my office."

Wan J. Kim, Assistant Attorney General for the Civil Rights Division of the U.S. Department of Justice, said: "With greed as their sole motivation, and devoid of any regard for human dignity, these traffickers exploited their victims, all of whom were vulnerable women who were subjected to an existence of misery. Today's guilty plea demonstrates our commitment to protect the civil rights of trafficking victims. The Department of Justice will continue to pursue and prosecute all those who would attempt to profit at the expense of another's freedom."

"These criminals preyed upon the hopes and dreams of these victims who came to the U.S. for the sole purpose of bettering their lot in life, only to be forced into a life of enslavement, subjected to sexual exploitation, physical violence, and isolation said Moskowitz, Special Agent in Charge of the ICE Office of Investigations in Detroit. "ICE will continue to vigorously pursue those organizations that callously trade in human cargo, with no regard for the health or dignity of these women, all while reaping the profits from their suffering."

Maksimenko admitted today that he and his business partners, including Aronov, trafficked in Eastern European women and used the guise of a legitimate business – Beauty Search, Inc. – to cover their criminal conduct. Maksimenko admitted that he and his partners smuggled women into the United States and compelled them through threats and coercion to work as dancers in strip clubs. To maintain compliance, Maksimenko and his partners took a

number of steps, including confiscating the dancers' passports; imposing large debts on them; enforcing rules designed to isolate the dancers from potential rescuers through interrogations, monetary penalties, physical violence and threats; searching the dancers' apartments; and threatening to turn the dancers in to authorities because of their illegal immigrant status. According to Aronov's plea agreement, Maksimenko forced the dancers to engage in non-consensual sexual relations with him, by intimidating and threatening them with arrest and deportation and by reminding them that they owed him a debt for employing them.

Maksimenko also admitted in court today that he and others engaged in various efforts designed to obstruct the government's investigation and prosecution. In anticipation of their arrest on federal charges in February 2005, Maksimenko and Aronov planted passports of four of the dancers in their apartments in order to create the false impression that the dancers had retained access to their identity and travel documents, and were therefore free to leave if they so chose. Maksimenko and Aronov also confiscated and burned financial ledgers kept by two of the dancers, fearing that the ledgers could incriminate the co-conspirators. Following his arrest, Maksimenko directed his associates to destroy evidence and to threaten a victim-witness in order to convince her to hide until the conclusion of Maksimenko's trial.

Maksimenko remains in custody pending his sentencing. Although Maksimenko faces a statutory maximum sentence of up to forty years in prison, the parties agreed that under the Federal Sentencing Guidelines, an appropriate sentence for Maksimenko is 12½ to approximately 22 years in prison. The specific sentence within this range will be determined by the Court following a sentencing hearing to determine whether Maksimenko sexually abused any of the dancers. The parties further agreed that the Court may enter an order of restitution and a forfeiture money judgment of at least \$957,050 against Maksimenko, who has agreed to cooperate in the government's continuing investigation and prosecution of others, and who could receive a sentence reduction as a result.

The Court set the sentencing date for July 27, 2006.

With today's plea, seven people have now been convicted of crimes associated with this trafficking conspiracy. Evgeniy Prokopenko and Alexander Bondarenko, two Ukrainian citizens

residing in Brooklyn, NY, pled guilty to visa fraud on September 9, 2005, admitting that they entered into sham marriages in 2004 with two of the dancers in order to permit the dancers to gain entry into the United States. On November 1, 2005, Anna Gonikman-Starchenko, a Ukrainian citizen living in the Detroit metro area, pled guilty to obstruction-related charges stemming from actions taken following the arrests of Maksimenko and Aronov. On November 3, 2005, Niki Papoutsaki, a Greek citizen living in the Detroit metro area, pled guilty to misprision of a felony in connection with obstruction-related activity. Finally, on February 14, 2006, Valentina Maksimenko, a naturalized U.S. citizen residing in the Chicago area, pled guilty to a conspiracy to obstruct justice during the course of the federal investigation.

The government's investigation and prosecution of others involved in the trafficking scheme is continuing. On February 24, 2006, an eighth defendant, Duay Jado, a Greek citizen residing in the Chicago area, was arrested on a complaint charging him with Extortionate Collection of Extension of Credit and Use of Fire in Commission of Felony. According to the affidavit supporting the complaint and other public court records, it is alleged that following the escape of one of the dancers in February 2004, Maksimenko located the dancer, then paid Jado to set the car of the dancer's sister on fire in retaliation for the dancer's escape, for failing to repay an outstanding debt allegedly owed to Maksimenko and Aronov, and to send a message to the other dancers not to follow in her footsteps.

A complaint is only a charge and is not evidence of guilt. Trial cannot be held on felony charges in a complaint. When the investigation is completed, a determination will be made whether to seek a felony indictment.

The case is being investigated by the U.S. Immigration and Customs Enforcement, the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigation, and the State Department Diplomatic Security Service. Assistant United States Attorney Mark Chutkow and Lou de Baca, Senior Litigation Counsel at the Department of Justice, Civil Rights Division, Criminal Section, are prosecuting the case. Peter Ziedas, Assistant United States Attorney, is handling the asset forfeiture part of the case.